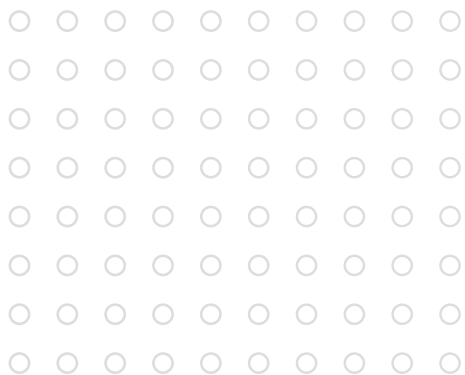




# GOVERNMENT BENEFITS UPDATE **2020**

Our annual update of the  
statutory benefits provided  
by the Federal and Provincial  
Governments of Canada



# GOVERNMENT BENEFITS UPDATE 2020

WELCOME LETTER	2
OLD AGE SECURITY	4
CANADA PENSION PLAN	5
QUEBEC PENSION PLAN	6
EMPLOYMENT INSURANCE	7
QUEBEC EMPLOYMENT INSURANCE	8
QUEBEC PARENTAL INSURANCE PLAN	9
PREMIUM TAX RATES	10
WORKERS' COMPENSATION	11
DOLLAR LIMITS ON RETIREMENT SAVINGS CONTRIBUTIONS	12
RETIREMENT INCOME FUND WITHDRAWAL PERCENTAGES	13
COMPASSIONATE CARE LEAVE	15
PREMIUMS FOR PROVINCIAL MEDICAL PLANS	17
TAXABLE INCOME IMPLICATIONS	19

We are excited to release our 16th annual Government Benefits Update. As in prior years, our update offers a high level summary of public policy changes that may intersect with your benefit plan, retirement plan, HR policies, and compensation strategies.

Several important changes were announced for the coming year and here's a quick summary:

- The YMPE increased to \$58,700 (2020) from 57,400 (2019);
- CPP contribution rate increased to 5.25% (2020) from 5.10% (2019); starting 2019 to 2023, there will be a gradual 1% increase (from 4.95% to 5.95%) in the employee's contribution rate; CPP indexation rate for benefits decreased to 1.9% (2020) from 2.3% (2019);
- EI employee contributions (as a percentage of insurable earnings) decreased to 1.58% (2020) from 1.62% (2019); maximum weekly benefit amount increased to \$573 from \$562 due to the increase in EI maximum yearly insurable earnings to \$54,200;
- Quebec EI employee contributions (as a percentage of insurable earnings) decreased to 1.2% (2020) from 1.25% (2019); maximum weekly benefit amount increased to \$573 from \$562 due to the increase in EI maximum yearly insurable earnings to \$54,200;
- Effective January 1, 2020, BC residents no longer have to pay Medical Services Plan (MSP) premiums. Since January 1, 2019, the Employer Health Tax (EHT) has been in effect and applies to all employers and charitable or non-profit employers in BC.
- Effective January 1, 2020, the Ontario government has eliminated OHIP's Out-of-Country Travellers Program, which partly covers the following services:
  - Doctor services (e.g. medical assessments, emergency surgery)
  - Emergency outpatient services (e.g. MRIs, CT scans)
  - Emergency inpatient services (e.g. hospital stays, nursing services)

There are numerous changes and tweaks to public policy outlined in our report and we hope you find the information valuable as you craft your business plans and goals for this year and beyond.

We strongly believe that benefit plan sustainability can be achieved through advocacy, advice and action. We take these mandates seriously and spend considerable time and energy to deliver on them. Our advocacy is to identify emerging issues that may negatively impact your business and your people. Simply put, we identify benefit plan risks and associated business risks and work with industry stakeholders to develop solutions for your business. Our independent advice is rooted in education and heightened awareness. Through education, clients can take action with confidence. Enjoy the latest publication.

The data and information illustrated in our 2020 guide has been compiled from official government documents and publications. Although we believe the sources to be accurate, readers should refer to the actual legislation if using this data for more than informational purposes.

# OLD AGE SECURITY

The following table illustrates the maximum monthly rates for Old Age Security benefits as well as the maximum annual income to be eligible for these benefits.

<b>Benefit</b>	<b>Maximum Monthly Benefit Jan – Mar 2020<sup>1</sup></b>	<b>Maximum Annual Income Jan – Mar 2020<sup>2</sup></b>
<b>Old Age Security Pension (OAS) regardless of marital status</b>	\$613.53	\$128,137 (individual income)
<b>Guaranteed Income Supplement (GIS)</b>		
Single person, widowed or divorced pensioner	\$916.38	\$18,600 (individual income)
Spouse/common-law partner of a non-pensioner	\$916.38	\$44,592 (combined income)
Spouse/common-law partner of a pensioner who receives a full OAS pension	\$551.63	\$24,576 (combined income)
Spouse/common-law partner of an allowance recipient	\$551.63	\$44,592 (combined income)
<b>Allowance</b>	\$1,165.16	\$34,416 (combined income)
<b>Allowance for the survivor</b>	\$1,388.92	\$25,056 (individual income)

More information on OAS is available on: <https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security.html>.

<sup>1</sup> The payment is reviewed quarterly (Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec) and any increase in cost of living is based on the CPI.

<sup>2</sup> The maximum annual income is the income level at which you cannot receive the Old Age Security (OAS) pension or benefits.

The amount of your Old Age Security pension is determined by how long you have lived in Canada after the age of 18.

To find out how OAS is calculated, go to: <https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/benefit-amount.html>.

# CANADA PENSION PLAN

The yearly maximum pensionable earnings (YMPE) increased in 2020 to \$58,700 from \$57,400 in 2019. The basic exemption remains unchanged at \$3,500, while the contribution rate increased from 5.10% to 5.25%.

Over the next several years, contribution rates will continue to increase. Starting 2019, there will be a gradual increase to reach 5.95% in 2023.

Your age when you want to take your pension and the length of time you have contributed to CPP will determine your monthly payment amount. If you take your pension before the age of 65, it is reduced by 0.6% for each month you receive it before age 65 (7.2% per year). If you take your pension after age 65, it is increased by 0.7% for each month after age 65 that you delay receiving it up to age 70 (8.4% per year, up to a maximum increase of 42%).

For 2020, the indexation rate for benefits is 1.9%.

<b>Canada Pension Plan Contributions &amp; Benefits</b>	<b>2020</b>	<b>2019</b>
<b>Yearly Maximum Pensionable Earnings (YMPE)</b>	\$58,700	\$57,400
<b>Basic Exemption</b>	\$3,500	\$3,500
<b>Contribution Rate</b>		
Employer	5.25%	5.10%
Employee	5.25%	5.10%
Self-employed	10.50%	10.20%
<b>Annual Contributions (maximum)</b>		
Employer	\$2,898.00	\$2,748.90
Employee	\$2,898.00	\$2,748.90
Self-employed	\$5,796.00	\$5,497.80
Retirement Benefit (maximum at age 65)	\$1,175.83/month	\$1,154.58/month
<b>Death Benefits</b>		
Lump sum	\$2,500	\$2,500
Survivor's Benefit (maximum under age 65)	\$638.28/month	\$626.63/month
Survivor's Benefit (maximum age 65 or over)	\$705.50/month	\$692.75/month
Orphan (per child)	\$255.03/month	\$250.27/month
<b>Disability Benefits</b>		
Contributor (maximum)	\$1,387.66/month	\$1,362.30/month
Child (per child)	\$255.03/month	\$250.27/month

Detailed information on the current elements of CPP may be found on: <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-benefit/amount.html>.

# QUEBEC PENSION PLAN

<b>Quebec Pension Plan Contributions &amp; Benefits</b>	<b>2020</b>	<b>2019</b>
<b>Yearly Maximum Pensionable Earnings (YMPE)</b>	\$58,700	\$57,400
<b>Basic Exemption</b>	\$3,500	\$3,500
<b>Contribution Rate</b>		
Employer	5.70%	5.55%
Employee	5.70%	5.55%
Self-employed	11.40%	11.10%
<b>Annual Contributions (maximum)</b>		
Employer	\$3,146.40	\$2,991.45
Employee	\$3,146.40	\$2,991.45
Self-employed	\$6,292.80	\$5,982.90
Retirement Benefit (maximum at age 65)	\$1,175.83/month	\$1,154.58/month
<b>Death Benefits</b>		
Lump sum	\$2,500	\$2,500
Surviving Spouse (maximum under age 45)		
• Has no dependent child and is not disabled	\$571.48/month	\$562.22/month
• Has a dependent child and is not disabled	\$911.55/month	\$895.95/month
• Is disabled with or without a dependent child	\$947.70/month	\$931.43/month
Spouse (maximum age 45 to 64)	\$947.70/month	\$931.43/month
Spouse (maximum age 65 and over)	\$706.65/month	\$696.15/month
Orphan (per child)	\$255.03/month	\$250.27/month
<b>Disability Benefits</b>		
Contributor (maximum)	\$1,388.46/month	\$1,362.27/month
Child (per child)	\$80.97/month	\$79.46/month

Detailed information on the current elements of QPP may be found on:  
[https://www.rrq.gouv.qc.ca/en/retraite/rrq/regime\\_chiffres/Pages/regime\\_chiffres.aspx](https://www.rrq.gouv.qc.ca/en/retraite/rrq/regime_chiffres/Pages/regime_chiffres.aspx).

# EMPLOYMENT INSURANCE

The maximum yearly insurable earnings for Employment Insurance increased for 2020 to \$54,200 and the contribution amount decreased marginally. The maximum weekly benefit increased to \$573 per week from \$562; the benefit is still equal to 55% of insured earnings.

<b>Employment Insurance Benefits</b>	<b>2020</b>	<b>2019</b>
<b>Maximum yearly insurable earnings</b>	\$54,200	\$53,100
<b>Maximum weekly benefit based on 55% of average insured earnings</b>	\$573	\$562
<b>Required Employee Contributions</b>		
As a percentage of insurable earnings	1.58%	1.62%
Maximum employee contribution per annum	\$856.36	\$860.22
<b>Required Employer Contributions</b>		
Premium reduced for registered wage loss replacement plan <sup>1</sup>		
As a multiple of employee contribution - no registered premium reduction program	1.40	1.40
As a multiple of employee contribution - with registered premium reduction program	1.259	1.269
As a percentage of insurable earnings - no registered premium reduction program	2.212%	2.268%
As a percentage of insurable earnings - with registered premium reduction program	1.989%	2.056%
Maximum employer contribution per annum - no registered premium reduction program	\$1,198.90	\$1,204.31
Maximum employer contribution per annum - with registered premium reduction program	\$1,078.16	\$1,091.62

Registered wage loss replacement plan eligible for a partial rate reduction (cumulative paid sick leave/pregnancy plans that allow for a minimum monthly accumulation of one day and for a maximum accumulation of at least 75 days.)

- Qualifying plans must provide benefits at least as generous as EI sickness benefits
- Additional premium reductions are available based on four distinct categories of qualifying paid sick leave plans. Premium reductions range from \$0.22 to \$0.40 per \$100 of insurable earnings.

More information on Employment Insurance is available on the Service Canada website: <https://www.canada.ca/en/services/benefits/ei.html>. As of December 3, 2017, Employment Insurance special benefits for Parents of Critically Ill Children (PCIC) have been replaced by the Family Caregiver Benefit for Children. Maximum benefit period is 35 weeks. More information is available here: <https://www.canada.ca/en/services/benefits/ei/caregiving.html>.

<sup>1</sup>Based on a Category 1 Cumulative Sick Leave Plan

# QUEBEC EMPLOYMENT INSURANCE

The maximum yearly insurable earnings for Employment Insurance increased for 2020 to \$54,200 and the contribution amount decreased marginally. The maximum weekly benefit increased to \$573 per week from \$562; the benefit is still equal to 55% of insured earnings.

<b>Employment Insurance Benefits</b>	<b>2020</b>	<b>2019</b>
<b>Maximum yearly insurable earnings</b>	\$54,200	\$53,100
<b>Maximum weekly benefit based on 55% of average insured earnings</b>	\$573	\$562

## **Required Employee Contributions**

As a percentage of insurable earnings	1.20%	1.25%
Maximum employee contribution per annum	\$650.40	\$663.75

## **Required Employer Contributions**

Premium reduced for registered wage loss replacement plan<sup>1</sup>

As a multiple of employee contribution – with no registered premium reduction program	1.40	1.40
As a multiple of employee contribution – with registered premium reduction program	1.215	1.230
As a percentage of insurable earnings – no registered premium reduction program	1.680%	1.750%
As a percentage of insurable earnings – with registered premium reduction program	1.458%	1.625%
Maximum employer contribution per annum – no registered premium reduction program	\$910.56	\$929.25
Maximum employer contribution per annum – with registered premium reduction program	\$790.24	\$816.41

More information on Quebec Employment Insurance is available the Revenue Quebec website: <https://www.revenuquebec.ca/en/businesses/source-deductions-contributions/calculation-of-source-deductions-and-employer-contributions-in-certain-situations/special-rules-concerning-type-of-remuneration/employment-insurance-benefits/>

<sup>1</sup> Based on a Category 1 Cumulative Sick Leave Plan



# QUEBEC PARENTAL INSURANCE PLAN

The Quebec Parental Insurance Plan (QPIP) provides temporary income support to eligible workers due to being a parent of a newborn or for leave concerning an adopted child.

### Basic Plan

Maternity Benefits	70% of average weekly earnings to a maximum benefit of \$1,056.73 per week for up to 18 weeks
Paternity Benefits	70% of average weekly earnings to a maximum benefit of \$1,056.73 per week for up to 5 weeks
Parental Benefits	70% of average weekly earnings to a maximum benefit of \$1,056.73 per week for up to 7 weeks  55% of average weekly earnings to a maximum benefit of \$830.29 per week for up to 25 additional weeks
Adoption Benefits	70% of average weekly earnings to a maximum benefit of \$1,056.73 per week for up to 12 weeks  55% of average weekly earnings to a maximum benefit of \$830.29 per week for up to 25 additional weeks

<b>Required Contributions</b>	<b>2020</b>	<b>2019</b>
As a percentage of insurance earnings – Employees Maximum premium - \$387.79	0.494%	0.526%
As a percentage of insurance earnings – Employers Maximum premium - \$543.22	0.692%	0.736%
As a percentage of insurance earnings – Self-Employed Maximum premium - \$689.23	0.878%	0.934%
Maximum insurable income	\$78,500	\$76,500

More information on the Quebec Parental Insurance Plan is available on: <https://www.revenuquebec.ca/en/businesses/source-deductions-contributions/calculating-source-deductions-and-employer-contributions/quebec-parental-insurance-plan-qpip-premiums/>

# PREMIUM TAX RATES

Employer sponsored insurance plans are subject to taxes – federal and/or provincial. The table outlines the types of tax charged to plan sponsors as of January 1, 2020.

Employee resides in:	Premium Tax		Provincial Sales Tax					GST/HST - based on place of supply
	Individual and group insurance premium	ASO plans, HCSAs and Cost Plus	Premiums on group insurance	Claims for ASO, HCSAs and Cost Plus	Fees on ASO plans with pooling, HCSAs and Cost Plus	Fees on ASO plans without pooling	EAPs and other fee for service products	Fees on ASO plans without pooling, EAPs and other fee for service products
<b>AB</b>	3%							5%
<b>BC</b>	2%							5%
<b>MB</b>	2%		7% RST* (except health and dental)					5%
<b>NB</b>	2%							15%
<b>NL</b>	5%	5%						15%
<b>NS</b>	3%							15%
<b>ON</b>	2%	2% (except taxable ASO disability income claims and fees)	8% RST	8% RST (except taxable ASO disability income claims)	8% RST	8% RST (when the place of supply is a GST jurisdiction)		13%
<b>PE</b>	3.75%							15%
<b>QC</b>	3.48%	3.48%	9% QTIP	9% QTIP	9% QTIP	9.975% QST (when the place of supply is Quebec)	9.975% QST (when the place of supply is Quebec)	5%
<b>SK</b>	3%							5%
<b>NT</b>	3%							5%
<b>NU</b>	3%							5%
<b>YT</b>	2%							5%

\*Effective July 1, 2019

# WORKERS' COMPENSATION<sup>1</sup>

<b>Jurisdiction</b>	<b>Maximum Assessable Earnings</b>	<b>Wage Loss Benefits</b>
Alberta	\$98,700	90% of net earnings
British Columbia	\$87,100	90% of net average earnings, based on maximum assessable earnings of \$87,100
Manitoba	\$127,000	90% of net average earnings, based on maximum assessable earnings of \$127,000
New Brunswick	\$66,200	85% of net earnings, based on maximum assessable earnings of \$66,200
Newfoundland & Labrador	\$66,980	85% of net average earnings, based on maximum assessable earnings of \$66,980
Nova Scotia	\$62,000	Temporary earnings replacement benefit (TERB) calculated at 75% of net earnings for the first 26 weeks, increasing to 85% of net earnings thereafter, based on maximum assessable earnings of \$62,000
Ontario	\$95,400	Loss of earnings benefit (LOE) calculated at 85% of net earnings, based on maximum assessable earnings of \$95,400
Prince Edward Island	\$55,300	85% of net earnings, based on maximum assessable earnings of \$55,300
Quebec	\$78,500	90% of net earnings, based on maximum assessable earnings of \$78,500
Saskatchewan	\$88,906	90% of net earnings, based on maximum assessable earnings of \$88,906
Northwest Territories and Nunvut	\$94,500	90% of net earnings, based on maximum assessable earnings of \$94,500
Yukon	\$90,750	75% of gross earnings, based on maximum assessable earnings of \$90,750

<sup>1</sup> Workers' Compensation benefits are funded by employers. Premiums will vary by industrial sector in each province and by classification or ratings group. Employers pay premiums based on the insurable earnings of employees, up to the maximum assessable earnings amount (plus personal coverage, if any). The cost of coverage is usually per \$100 of insurable earnings based on the average losses in each group, subject to a minimum amount. In some jurisdictions, premiums are adjusted using an experience rating factor, which compares an individual employer to the average of other employers in the same ratings group. In some cases (e.g., Manitoba), employees may be entitled to 100% of their pre-injury earnings, if such earnings are less than or equal to a minimum annual earnings threshold.

# DOLLAR LIMITS ON RETIREMENT SAVINGS CONTRIBUTIONS

Registered Pension Plan contributions are based on the lesser of the current RPP dollar limit or 18% of the current year's earnings. The pension adjustment (PA) for defined contribution pension plans and deferred profit sharing plans (DPSP) is equal to the contribution made to the RPP (Money Purchase only) for each member. The PA will reduce the amount of RRSP contributions for the next year.

The maximum benefit accrual for defined benefit pension plans in 2020 is **\$3,092.22**.

The registered savings plan contribution limit is based on the lesser of the current year RRSP limit or 18% of the previous year's earned income.

The DPSP contribution for the year is based on the lesser of 50% of the current year's RPP dollar limit or 18% of earnings in that year. The Tax-Free Savings Account (TFSA) limit for 2020 is \$6,000 plus any unused contribution from the program's introduction in 2009. The current TFSA maximum for all years is \$69,500.

Tax Year	Registered Pension Plan (RPP)	Registered Profit Sharing Plan (DPSP)	Registered Retirement Savings Plan (RRSP)
1996-2002	\$13,500	\$6,750	\$13,500
2003	\$15,500	\$7,750	\$14,500
2004	\$16,500	\$8,250	\$15,500
2005	\$18,000	\$9,000	\$16,500
2006	\$19,000	\$9,500	\$18,000
2007	\$20,000	\$10,000	\$19,000
2008	\$21,000	\$10,500	\$20,000
2009	\$22,000	\$11,000	\$21,000
2010	\$22,450	\$11,225	\$22,000
2011	\$22,970	\$11,485	\$22,450
2012	\$23,820	\$11,910	\$22,970
2013	\$24,270	\$12,135	\$23,820
2014	\$24,930	\$12,465	\$24,270
2015	\$25,370	\$12,685	\$24,930
2016	\$26,010	\$13,005	\$25,370
2017	\$26,230	\$13,115	\$26,010
2018	\$26,500	\$13,250	\$26,230
2019	\$27,230	\$13,615	\$26,500
<b>2020</b>	<b>\$27,830</b>	<b>\$13,915</b>	<b>\$27,230</b>

# RETIREMENT INCOME FUND WITHDRAWAL PERCENTAGES

Age as at Jan 1, 2020	RIF/LIF Minimum Withdrawal Percentage	LIF Maximum Withdrawal Percentage		
		AB <sup>1</sup> , BC <sup>1</sup> , NB, NL <sup>1</sup> and ON <sup>1</sup>	MB <sup>2</sup> , NS and QC	Federal (PBSA)
50	2.50%	6.27%	6.10%	4.13%
51	2.56%	6.31%	6.10%	4.16%
52	2.63%	6.35%	6.10%	4.20%
53	2.70%	6.40%	6.10%	4.24%
54	2.78%	6.45%	6.10%	4.28%
55	2.86%	6.51%	6.40%	4.33%
56	2.94%	6.57%	6.50%	4.38%
57	3.03%	6.63%	6.50%	4.43%
58	3.13%	6.70%	6.60%	4.49%
59	3.23%	6.77%	6.70%	4.55%
60	3.33%	6.85%	6.70%	4.62%
61	3.45%	6.94%	6.80%	4.70%
62	3.57%	7.04%	6.90%	4.78%
63	3.70%	7.14%	7.00%	4.87%
64	3.85%	7.26%	7.10%	4.98%
65	4.00%	7.38%	7.20%	5.09%
66	4.17%	7.52%	7.30%	5.21%
67	4.35%	7.67%	7.40%	5.35%
68	4.55%	7.83%	7.60%	5.51%
69	4.76%	8.02%	7.70%	5.68%
70	5.00%	8.22%	7.90%	5.88%
71	5.28%	8.45%	8.10%	6.10%
72	5.40%	8.71%	8.30%	6.36%
73	5.53%	9.00%	8.50%	6.66%
74	5.67%	9.34%	8.80%	7.01%
75	5.82%	9.71%	9.10%	7.42%
76	5.98%	10.15%	9.40%	7.89%
77	6.17%	10.66%	9.80%	8.43%
78	6.36%	11.25%	10.30%	9.07%
79	6.58%	11.96%	10.80%	9.82%
80	6.82%	12.82%	11.50%	10.72%
81	7.08%	13.87%	12.10%	11.82%
82	7.38%	15.19%	12.90%	13.19%
83	7.71%	16.90%	13.80%	14.96%
84	8.08%	19.19%	14.80%	17.32%

## RETIREMENT INCOME FUND WITHDRAWAL PERCENTAGES (CONT'D)

Age as at Jan 1, 2020	RIF/LIF Minimum withdrawal percentage	LIF Maximum withdrawal percentage		
		AB <sup>1</sup> , BC <sup>1</sup> , NB, NL <sup>1</sup> and ON <sup>1</sup>	MB <sup>2</sup> , NS and QC	Federal (PBSA)
85	8.51%	22.40%	16.00%	20.63%
86	8.99%	27.23%	17.30%	25.59%
87	9.55%	35.29%	18.90%	33.85%
88	10.21%	51.46%	20.00%	50.39%
89	10.99%	100.00%	20.00%	100.00%
90	11.92%	100.00%	20.00%	100.00%
91	13.06%	100.00%	20.00%	100.00%
92	14.49%	100.00%	20.00%	100.00%
93	16.34%	100.00%	20.00%	100.00%
94	18.79%	100.00%	20.00%	100.00%
95 and above	20.00%	100.00%	20.00%	100.00%

The percentages indicated above are based on a formula using a CANSIM interest rate of 6.00%, with the exception of Federal (PBSA) which uses a CANSIM interest rate of 1.57% (effective November 2019). *Please note that the rates indicated are for illustrative purposes only. The rates are subject to change at least annually and may vary by jurisdiction.*

**NOTE:** LIF clients who begin a LIF in the middle of a calendar year with funds that were transferred from a LIRA or pension plan are permitted to take the FULL maximum payment for the year, according to pension legislation in **Quebec, Manitoba, New Brunswick, Alberta & British Columbia**. In other jurisdictions, first year payments must be prorated according to the number of months the LIF was in force.

<sup>1</sup> The Alberta, British Columbia, Newfoundland and Labrador and Ontario LIF maximum calculation is based on the greater of 1) the result using the factor or 2) the investment returns from the previous year.

<sup>2</sup> The Manitoba LIF maximum calculation is based on the greater of 1) the result using the applied factor and 2) the previous year's net investment returns under the LIF contract plus 6.00% of all amounts transferred to the LIF during the current year from a LIRA or pension plan provided the amounts were not previously in a LIF or LRIF.

# COMPASSIONATE CARE LEAVE

Jurisdiction	Maximum Length of Leave Provision <sup>1</sup>
Federal	28 weeks unpaid to provide care or support to a family member with a medical certificate from a medical doctor or nurse practitioner stating that a serious medical condition exists with a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: 28 weeks of leave has been completed, family member dies or no longer requires support, or a 52 week period has elapsed since the leave began.
Alberta	27 weeks unpaid to provide care or support to a gravely ill family member with a medical certificate stating there is a significant risk of dying within 26 weeks. Must be taken in at least 1 week blocks. Employee must have worked at least 90 days with the same employer to be eligible. The leave entitlement ends if: the family member passes away, the employee ceases to provide care for the family member or 27 weeks of leave has been completed.
British Columbia	27 weeks unpaid to provide care and support to a family member, with a certificate from a medical practitioner or nurse practitioner stating there is a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. Can be extended with another doctor’s note. The leave entitlement ends if: 27 weeks of leave has been completed, a 52 week period since the beginning of the leave has elapsed or if the family member has passed away.
Manitoba	28 weeks unpaid to support a seriously ill family member, with a certificate from a doctor stating that the family member has a serious medical condition and there is a significant risk of death within 26 weeks. Can be broken into a maximum of 2 periods (that must be at least 1 week long). Employee must be employed for at least 90 days to be eligible.
New Brunswick	28 weeks unpaid to support a person in a close family relationship, with a written note from a certified medical practitioner stating that a person in a close family relationship has a serious medical condition and there is a significant risk of death within 28 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: the family member passes away or 28 weeks of leave has been completed.
Newfoundland & Labrador	28 weeks unpaid, with a medical certificate from a medical practitioner or nurse practitioner stating that a family member has a serious medical condition and there is a significant risk of death within 26 weeks. Employee must be employed for at least 30 days to be eligible. Must be taken in at least 1 week blocks. In exceptional circumstances, 3 additional unpaid days may be granted if the family member passes away. The leave entitlement ends if: the family member has passed away or a 52 week period from the beginning of the leave has elapsed.
Nova Scotia	28 weeks unpaid to care for a seriously ill family member, with medical practitioner’s certificate stating that the family member has a serious medical condition and there is a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. Employee must be employed at least 3 months to be eligible. The leave entitlement ends if: the family member has passed away or a 52 week period from the beginning of the leave has elapsed.

<sup>1</sup> Regardless of the maximum length of leave, an employee will only be entitled to leave for the actual period that they are providing care and support if shorter than the maximum length of leave.

## COMPASSIONATE CARE LEAVE (CONT'D)

<b>Jurisdiction</b>	<b>Length of Leave Provision</b>
Ontario	Family Medical Leave: 28 weeks unpaid to care or support a family member, with a qualified health practitioner's certificate stating there is significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: the family member passes away, 28 weeks of leave is completed or a 52 week period since the beginning of the leave has elapsed.
Prince Edward Island	28 weeks unpaid to provide care or support for a family member, with a medical practitioner's certificate stating a family member has a serious medical condition and there is a significant risk of death exists within 26 weeks. Must be taken in at least 1 week blocks. The leave entitlement ends if: the family member passes away or 28 weeks of leave is completed.
Quebec	16 weeks unpaid over a period of 12 months, due to serious illness or accident of a relative or person receiving care by the employee. This may be increased to 36 weeks over 12 months if the person is a minor child. If the minor child has a serious or potentially fatal illness, the leave entitlement may be extended to 104 weeks. 27 weeks unpaid over 12 months due to serious or potentially fatal illness for a relative or person receiving care from the employee (other than their minor child).
Saskatchewan	28 weeks unpaid to care for a family member who has a serious medical condition with a significant risk of death within 26 weeks. Must be taken in at least 1 week blocks. Employee must have worked with the same employer for more than 13 consecutive weeks to be eligible. At the employer's request, the employee must provide a doctor's note. The leave entitlement ends if: the employee is no longer providing care to the family member, 28 weeks of leave has been completed or the family member has passed away.
Northwest Territories	27 weeks unpaid to provide care or support to family member who has a serious medical condition with a significant risk of death within 27 weeks. An employee must submit a medical certificate confirming this if requested by the employer. Must be taken in at least 1 week blocks. The leave entitlement ends if: 27 weeks have elapsed since the leave began or the family member has passed away.
Nunavut	8 weeks unpaid to care for a family member, with a medical practitioner's certificate stating a family member has a serious medical condition and there is a significant risk of death within 26 weeks. The leave entitlement ends if: 26 weeks after the leave begins have elapsed or the family member has passed away.
Yukon	28 weeks unpaid to provide care or support to a family member of the employee if a medical practitioner or nurse practitioner issues a certificate stating that the family member has a serious medical condition with a significant risk of death within 26 weeks from the day the certificate was issued. The leave entitlement ends if: 26 weeks after the leave begins has elapsed or the family member has passed away.



# PREMIUMS FOR PROVINCIAL MEDICAL PLANS

## Province

## Payer

### Alberta

Resident/Employee

- Premiums eliminated for all residents effective January 1, 2009.

### British Columbia

Resident/Employee

- Premiums eliminated for all residents effective January 1, 2020.

Employer

Effective January 1, 2019, the BC government has implemented the Employer Health Tax (EHT), which applies to all employers and charitable or non-profit employers in BC.

EHT Rates for Business:

Annual Payroll	Tax Rate
\$500,000 or less	0%
\$500,000.01 - \$1,500,000	2.925% x (payroll - \$500,000)
\$1,500,000 +	1.95%

EHT Rates for Non-Profits and Charities:

Annual Payroll	Tax Rate
\$1,500,000 or less	0%
\$1,500,000.01 - \$4,500,000	2.925% x (payroll - \$1,500,000)
\$4,500,000 +	1.95%

### Manitoba

Employer

The Manitoba health premium (called the Health and Post-Secondary Education Tax Levy) is payroll-based and administered through the provincial tax system:

Total Yearly Payroll Amount	Employer Premium
\$0 - \$1,250,000	0%
\$1,250,000 - \$2,500,000	4.3% on amounts in excess of \$1,250,000
\$2,500,000 +	2.15% of total payroll

### New Brunswick

Resident/Employee

- Uninsured New Brunswick residents who have an active Medicare card can enrol in the New Brunswick Drug Plan. Monthly premiums per adult (ranging from \$16.67 - \$166.67) and 30% copayment up to a maximum amount per prescription (ranging from \$5-\$30). Amounts are calculated based on annual family income. Children age 18 and younger do not pay premiums but a parent must be enrolled in the plan. These premiums are for the New Brunswick Drug Plan. See: <https://www2.gnb.ca/content/gnb/en/departments/health/MedicarePrescriptionDrugPlan/NBDrugPlan.html>

# PREMIUMS FOR PROVINCIAL MEDICAL PLANS (CONT'D)

<b>Province</b>	<b>Payer</b>
<b>Newfoundland &amp; Labrador</b>	Employer <ul style="list-style-type: none"><li>• Payroll tax of 2% for employers with payroll in excess of \$1,300,000.</li></ul>
<b>Nova Scotia</b>	Resident/Employee <ul style="list-style-type: none"><li>• Residents do not pay premiums for Nova Scotia's Health Insurance Programs. Residents age 65 and over can enroll in the Senior's Pharmacare Program if they do not have private or other public drug coverage. Premium is income-based with a maximum annual premium of \$424. Premium assistance available. There is also a Family Pharmacare Program for families who have no drug coverage. See: <a href="https://novascotia.ca/dhw/pharmacare/family-pharmacare.asp">https://novascotia.ca/dhw/pharmacare/family-pharmacare.asp</a></li></ul>
<b>Ontario</b>	Resident/Employee <ul style="list-style-type: none"><li>• Residents with income of more than \$20,000 are subject to paying the Ontario Health Premium through the tax system. Premium rate varies according to taxable income up to a maximum of \$900 per tax year for incomes in excess of \$200,600.</li></ul> Employer <ul style="list-style-type: none"><li>• The Ontario Employer Health Tax (EHT) is based on a scale between 0.98% - 1.95%. The EHT exemption is \$490,000 of total payroll (not available to certain employers including those with an Ontario payroll over \$5 million).</li></ul>
<b>Quebec</b>	Resident/Employee <ul style="list-style-type: none"><li>• Residents covered under the provincial drug plan (RAMQ) pay an annual premium up to \$636 per adult collected through taxation. Amount adjusted annually on July 1.</li><li>• Residents who are at least age 18 by the end of 2017 are subject to the Quebec Health Services Fund. First \$14,915 of income is exempt (calculated without reference to certain source of income, notably employment income); maximum contribution is \$1,000.</li></ul> Employer must remit the Quebec Health Services Fund (QHSF) <ul style="list-style-type: none"><li>• All public sector employers pay 4.26%, regardless of their total annual payroll.</li><li>• All other employers pay 4.26% if their annual payroll is over \$6 million; If their payroll is under \$1 million, employers in primary or manufacturing sector pay 1.25% and employers in service or construction sector pay 1.65%; if payroll is between \$1 million and \$6 million, they pay a calculated rate. See page 59 of the 2020 Revenu Quebec Guide For Employers - Source Deductions and Contributions.</li></ul>

There are no health premiums in Prince Edward Island, Saskatchewan, Northwest Territories, Nunavut and Yukon Territory.

# TAXABLE INCOME IMPLICATIONS

The following is intended to be a general and non-exhaustive overview of income tax implications to employers and employees:

<b>Old Age Security</b>	Benefit payments are taxable.
<b>Canada/Quebec Pension Plan</b>	Payments taxable; employer contributions deductible. Employee contributions subject to 15% tax credit.
<b>Workers' Compensation</b>	Payments are non-taxable; employer contributions deductible.
<b>Employment Insurance</b>	Benefit payments taxable; employer contributions deductible.
<b>Quebec Parental Insurance Plan</b>	Benefit payments taxable; employer contributions deductible.
<b>Health &amp; Dental Plans</b>	<p>For government plans: taxable to employee if paid by employer; not deductible by the employee. Premiums under some provincial healthcare plans may be eligible for a tax credit on individual contributions.</p> <p>For private health services plans: employers may deduct their contributions, and benefits are not taxable to employees except in Quebec where employer contributions are taxable to employees and qualify for the medical expense tax credit.</p>
<b>Insured Group Sickness / Disability Plans</b>	<p>If an employer pays any portion of the disability premiums, the benefits collected by the employee (in the event of a disability) are taxable (but the employee may reduce the income inclusion by the total amount of any contributions made by the employee before the end of the year).</p> <p>Employer contribution to the disability premium is not a taxable benefit to the employee.</p> <p>If an employee pays 100% of premiums, the benefits collected (in the event of a disability) are non-taxable. However, the premium contributions are not tax deductible to the employee.</p>
<b>Registered Retirement Savings Plans (RRSPs)</b>	<p>18% of earned income in the prior year can be contributed plus unused contribution room since 1991. Withdrawals are taxed as income in the year withdrawn. Tax-free transfers from a retiring allowance up to \$2,000 per year of service prior to 1996, plus \$1,500 for each year of service prior to 1989 during which employer contributions to either an RPP or DPSP have not vested in the employee.</p> <p>Funds may be withdrawn totally by no later than the end of the year that the participant turns age 71. Funds may be used to provide a monthly pension through a Registered Retirement Income Fund (RRIF) or through the purchase of a life annuity or fixed annuity to age 90.</p>
<b>Group Life Insurance</b>	Net premium paid by employer for group life insurance and dependent life is considered taxable income to employee. The benefits received by the employee are not taxable.

## TAXABLE INCOME IMPLICATIONS (CONT'D)

<b>Accidental Death &amp; Dismemberment (AD&amp;D)</b>	Net premium paid by employer for AD&D is considered taxable income to employee. The benefit received by the employee is not taxable.
<b>Critical Illness (CI)</b>	Net premium paid by employer for CI is considered taxable income to employee. The benefit received by the employee is not taxable.
<b>Tax-Free Savings Account (TFSA)</b>	<p>Canadian residents 18 years of age and older can contribute up to \$6,000 in 2020, plus any unused TFSA contributions since the program's inception.</p> <p>Contributions are not deductible from income. Withdrawals can be made at any time and the amount of the withdrawal can be added to the contribution room for the following year. Unused contribution room may be carried forward indefinitely.</p>